



## 2010 SPECIAL SESSION: DAY 25

**April 8, 2010**

Dear Kitchen Cabinet members,

I've not been in Olympia for nearly a week now, as majority party leaders continue to argue over which of your taxes to raise and by how much. The last four days have all been pro-forma sessions, meaning there has been no legislative work done by the Senate, even though your tax dollars are funding those lawmakers who are still receiving daily pay. **Though I have chosen not to receive any pay for the duration of the special session, the cost to taxpayers was updated just a few days ago and now stands at more than \$188,000.**



### Possible end in sight

As you may already know, news broke yesterday of a possible deal between House and Senate Democrat leaders, indicating that an agreement could be reached soon and the end of this special session could be near. Today, the proposed tax package was unveiled and **while the sales tax increase was eliminated, it was replaced with a number of other tax increases**. The details of the so-called "go home" proposal are laid out below. It's worth noting that several of these items, including the B&O rate increase, are proposed to go into effect May 1<sup>st</sup>. Dollar figures are in millions.

SOURCE	Revenue	
	09-11	11-13
Dot Foods	\$ 154.70	\$ 199.40
Cigarettes/OTP	\$ 101.40	\$ 197.80
Nexus	\$ 82.40	\$ 395.00
Sales tax applied to bottled water (exemption for prescription water and unavailable potable water)	\$ 35.30	\$ 69.20
Sales tax applied to candy and gum with B&O credit for jobs	\$ 30.50	\$ 62.40
Lottery marketing	\$ 15.00	\$ 30.00
Convention center	\$ 10.00	\$ 20.00
Tax avoidance	\$ 8.20	\$ 30.40
Property Mgmt., B&O (non-profit exemption)	\$ 6.90	\$ 14.80
Agrilink	\$ 4.10	\$ 8.80
Homestreet fix	\$ 3.90	\$ 7.90
Corp. Dir. B&O	\$ 2.10	\$ 4.60
Bad debt	\$ 1.70	\$ 4.10
Livestock nutrients	\$ 1.50	\$ 2.80
PUD clarification	\$ 1.20	\$ 2.20
Tax debt's corp.	\$ 6.30	\$ 13.50
B&O dues	\$ 1.00	\$ 2.20
<b>TEMPORARY</b>		
Services B&O to 1.8% with hospitals exempted and sm. bus. credit doubled (credit permanent)	\$ 245.90	\$ 491.10
Beer Tax increase of 50 cents per gallon, microbreweries exempt - 28 cent increase/six pack	\$ 57.80	\$ 106.80
Pop tax increase exempting bottlers under \$10 million in sales - 2 cents per 12 oz. bottle	\$ 38.10	\$ 82.40
<b>TOTAL</b>	<b>\$ 808.00</b>	<b>\$1,745.40</b>

So how does this differ from the Senate tax packaged passed earlier in this special session? First, the sales tax increase, the real estate excise tax foreclosure, and canceled tax incentives for wind and coal power have been removed.

The new or increased items in the “go home” proposal include:

- Higher B&O rate on services – 1.8%, rather than 1.75%, starting May 1<sup>st</sup> instead of July 1<sup>st</sup> (Generates \$246 million vs. \$168 million.)
- Realtors are also subject to increase whereas in the earlier bill they were not
- **Beer tax increase of 50 cents per gallon**, equivalent to 28 cents per six-pack (\$58 million)
- Soda pop tax increase – 2 cents per 12 ounce bottle (\$38 million)

- Tobacco tax – includes other tobacco products and has an earlier start date (\$101 million vs. \$91 million).
- Candy/gum sales tax (\$35 million)
- Nexus (\$10 million more assumed than earlier Senate proposal)
- Lottery marketing (\$15 million assumed)

We're scheduled to be on the Senate floor tomorrow (and probably Saturday and Sunday as well) to do some actual voting, **so it seems this special session may be coming to an end after all.**

## Fill out those U.S. Census mailers!



You may have already received the U.S. Census information in the mail. **I'd like to urge you to fill it out and send it back as soon as possible.** Your answers affect the number of seats in the U.S. House of Representatives, and people from many walks of life use census data to advocate for causes, rescue disaster victims, prevent diseases, research markets, locate pools of skilled workers and more.

An accurate count of residents can help provide a better infrastructure and more services for our community. The information the census collects helps to determine how federal funding is spent each year on services like:

- Hospitals
- Job training centers
- Schools
- Senior centers
- Bridges, tunnels and other-public works projects
- Emergency services

When you fill out the census form, you're making a statement about what resources our community needs going forward. **Accurate data reflecting changes in our community is crucial.** Below is a graph showing the participation rate in our district. While I'm pleased to see Pierce County is right on par with the national average, I'd like to see our individual cities boost their participation numbers so everyone can be counted.

TEXT IN YELLOW = Below the statewide average.

2010 Census -- Mail-In Participation Rate by City in LD 28							
County	Place	OFM 2009 Population Estimate	March 31st	April 2nd	April 5th	April 6th	2000 Mail-In Participation Rate
Washington State			52%	55%	59%	63%	72%
National			52%	56%	60%	62%	72%
Pierce			51%	54%	58%	62%	70%
	Lakewood city, WA	58,840	49%	51%	55%	58%	67%
	Tacoma city, WA	203,400	50%	53%	57%	60%	68%
	DuPont city, WA	7,650	52%	55%	59%	63%	73%
	University Place city, WA	31,500	53%	56%	60%	63%	76%
	Steilacoom town, WA	6,285	56%	59%	63%	67%	76%
	Fircrest city, WA	6,325	63%	66%	70%	73%	83%

In closing...

If you know someone in our district who might be interested in receiving these updates, please feel free to forward this e-mail to him or her.

You can always find information online by visiting my website at

[www.SenateRepublicans.wa.gov/Carrell](http://www.SenateRepublicans.wa.gov/Carrell).

As always, if you'd like to contact me you can write, phone, e-mail, or stop by my Olympia office. My office phone number is (360) 786-7654, and my home phone number is (253) 581-2859. Or you can write me at **102 Irv Newhouse Building, P.O. Box 40428, Olympia, WA 98504-0428.**

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Sincerely,

Mike Carrell

28<sup>th</sup> District State Senator